GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:1902
ANSWERED ON:05.05.2016
Generation of Clean Energy
Nayak Shri B.V.

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) the details of the action plan of the Government to speed up generation of clean energy in the country;

(b) whether it is proposed to grant certain incentives to the industry which shows interest in this sector;
(c) if so, the details thereof;

(d) the action plan to exploit wind energy in areas which have a good potential for it; and
(e) the manner in which the Government has succeeded in tapping such resources?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): The Government has up-scaled the target of renewable energy capacity to 175 GW by the year 2022. The action plans initiated by the Government to achieve this up-scaled target in addition to implementation of ongoing schemes/programmes, inter-alia, include suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation (RPO) and for providing Renewable Generation Obligation (RGO); setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; identification of large government complexes/ buildings for rooftop projects; provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities; amendments in building bye-laws for mandatory provision of roof top solar for new construction or higher FAR; infrastructure status for solar projects; raising tax free solar bonds; providing long tenor loans; making roof top solar a part of housing loan by banks/ NHB; incorporating measures in Integrated Power Development Scheme (IPDS) for encouraging distribution companies and making net-metering compulsory and raising funds from bilateral and international donors as also the Green Climate Fund to achieve the target.
..2/-

(b)&(c): The details of initiatives provided to the industry by Government to promote renewable energy sector of the country inter-alia, include provision of domestic content requirement in various schemes to source solar cells and modules of domestic origin; exemption of customs and excise duty on input raw material required for manufacturing of cells and modules; capital subsidy for manufacturers under Special Incentive Package Scheme (SIPS) & Modified Special Incentive Package Scheme (M-SIPS) by Department of Electronics and Information Technology (DietY). Manufacturing units may also be set up under the Solar Park scheme launched by the Ministry of New and Renewable Energy (MNRE). The up scaled target set for 2021-22 will also enhance demand for greater domestic manufacturing of renewable energy systems/devices in the country. Further, Indian Renewable Energy Development Agency (IREDA), along with other banks and financial institutions strives to finance the projects in the renewable energy sector at affordable interest rates.

(d)&(e): To encourage wind power generation in the country, Government of India provides various fiscal and financial incentives including Accelerated Depreciation (AD), concessional Custom, Excise and Special Additional Duties, 100% Foreign Direct Investment through automatic route, etc. The wind power projects which do not avail the benefit of Accelerated Depreciation and not covered under third party sale of wind power generated, are eligible for Generation Based Incentives (GBI) of Rs. 0.50 per Unit of energy fed in to the grid with a cap of Rs. 1.00 crore per MW for a period not less than 4 years and a maximum period of 10 years.
****